



LINCOLN COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1999

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-87
September 7, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2000

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Lincoln, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Lincoln County was a financial and compliance audit of various county operating funds. The following concerns were noted as part of the audit:

- As discussed in our prior report, on November 5, 1996, the county passed a ten year Road and Bridge Capital Improvement sales tax of one-half of one percent for the purpose of rehabilitating existing roads and bridges, replacement of bridges, and maintenance of existing gravel roads which became effective in April 1997. Per records obtained from the Missouri Department of Revenue, the county imposed this sales tax under state statute; however, the county also had another one-fourth of one percent Law Enforcement Capital Improvement sales tax levy imposed under this same statute. With the additional Road and Bridge Capital Improvement sales tax, the county is levying three-fourths of one percent which is apparently above the statutory maximum allowed by state law. The county indicated they had reviewed this with their attorney in November 1998, and he indicated that these were handled correctly. However, Attorney General's Opinion, No. 97-99, states that total capital improvement sales tax rates cannot exceed one-half of one percent.
- The county contracts with the State Highway and Transportation Commission for bridge replacement and rehabilitation under the Off-System Bridge Replacement and Rehabilitation Program. The county procured bridge replacement engineering services without documentation of consideration of other firms. The procurement of services should comply with state statutes which provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Lincoln County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

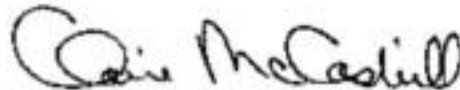
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Lincoln County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Lincoln County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Lincoln County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31,

1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 28, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

April 28, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Douglas E. Brewer
Audit Staff:	Scott L. Fontana
	Monique Williams
	Carl Zilch, Jr.



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Lincoln County, Missouri

We have audited the special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

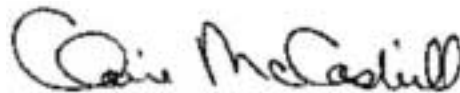
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Lincoln County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 99-1. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Lincoln County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Lincoln County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

April 28, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

LINCOLN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 303,961	3,418,852	3,176,472	546,341
Special Road and Bridge	246,126	3,567,079	3,278,722	534,483
Assessment	15,184	311,984	294,211	32,957
Law Enforcement Trust	152,219	2,254,158	2,411,707	(5,330)
Home Health	86,492	136,846	187,753	35,585
911 Communication	18,145	581,953	547,170	52,928
Law Enforcement Training	4,583	14,245	14,681	4,147
Prosecuting Attorney Training	1,665	2,297	2,451	1,511
Sheltercare	6,607	5,593	5,200	7,000
BRO	27,757	400,073	408,065	19,765
Jail Debt Service	379,120	754,107	611,017	522,210
Ridge Road Project One	85,928	43,483	34,716	94,695
Walker Road Community District	59,117	29,279	21,770	66,626
Hospice	3,169	320	728	2,761
Sheriff's Civil Fees	21,699	55,028	62,845	13,882
Prosecuting Attorney Bad Check Fees	2,123	19,094	20,191	1,026
Recorder's User Fee	14,249	22,651	10,867	26,033
Circuit Clerk Interest	22,818	11,340	9,570	24,588
Prosecuting Attorney Delinquent Tax	1,232	3,747	2,823	2,156
Law Library	18,290	16,952	6,581	28,661
Industrial Development Authority Speculative Building	500	0	500	0
Federal Drug Forfeiture	382	2,337	2,330	389
Total	\$ 1,471,366	11,651,418	11,110,370	2,012,414

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

LINCOLN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 21,898	3,622,260	3,340,197	303,961
Special Road and Bridge	97,209	3,290,322	3,141,405	246,126
Assessment	179	312,205	297,200	15,184
Law Enforcement Trust	(119,543)	2,639,907	2,368,145	152,219
Home Health	258,748	448,424	620,680	86,492
911 Communication	52,627	470,912	505,394	18,145
Law Enforcement Training	1,751	11,931	9,099	4,583
Prosecuting Attorney Training	1,588	2,025	1,948	1,665
Sheltercare	6,255	5,352	5,000	6,607
BRO	121	38,709	11,073	27,757
Jail Debt Service	269,263	713,047	603,190	379,120
Ridge Road Project One	131,322	41,091	86,485	85,928
Walker Road Community District	42,885	40,799	24,567	59,117
Hospice	685	3,026	542	3,169
Sheriff's Civil Process Fees	13,344	50,324	41,969	21,699
Prosecuting Attorney Bad Check Fees	589	15,683	14,149	2,123
Recorder's User Fee	14,996	22,417	23,164	14,249
Circuit Clerk Interest	8,029	16,508	1,719	22,818
Prosecuting Attorney Delinquent Tax	144	2,750	1,662	1,232
Law Library	8,181	16,492	6,383	18,290
Industrial Development Authority Speculative Building	500	20,890	20,890	500
Federal Drug Forfeiture	0	382	0	382
Flood Buyout	3,904	295,687	299,591	0
Total	\$ 814,675	12,081,143	11,424,452	1,471,366

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 442,600	443,036	436	330,500	341,871	11,371
Sales taxes	1,375,000	1,421,547	46,547	1,285,000	1,297,870	12,870
Intergovernmental	467,846	458,395	(9,451)	578,720	672,414	93,694
Charges for services	605,750	659,527	53,777	405,600	606,071	200,471
Interest	32,000	40,008	8,008	20,000	32,171	12,171
Lease receipts	60,000	60,000	0	60,000	60,000	0
Other	67,530	96,560	29,030	170,827	60,038	(110,789)
Transfers in	305,283	239,779	(65,504)	714,709	551,825	(162,884)
Total Receipts	3,356,009	3,418,852	62,843	3,565,356	3,622,260	56,904
DISBURSEMENTS						
County Commission	149,100	144,203	4,897	129,140	128,199	941
County Clerk	124,240	107,902	16,338	115,130	97,888	17,242
Elections	47,500	38,561	8,939	77,380	72,741	4,639
Buildings and grounds	162,044	126,183	35,861	124,478	115,989	8,489
Employee fringe benefits	373,500	244,795	128,705	352,900	310,115	42,785
County Treasurer	52,188	49,268	2,920	46,120	43,506	2,614
County Collector	176,256	169,172	7,084	160,135	155,280	4,855
Ex Officio Recorder of Deeds	122,132	106,322	15,810	107,770	100,032	7,738
Circuit Clerk	39,900	36,858	3,042	36,100	32,909	3,191
Associate Circuit Court	29,950	20,999	8,951	30,650	23,536	7,114
Court administration	92,780	73,689	19,091	92,400	50,012	42,388
Public Administrator	29,650	30,480	(830)	30,025	29,413	612
Prosecuting Attorney	237,160	243,603	(6,443)	208,319	197,993	10,326
Juvenile Officer	185,774	168,671	17,103	190,190	175,356	14,834
County Coroner	36,450	30,679	5,771	37,250	29,749	7,501
Industrial development	0	0	0	23,000	18,968	4,032
Surveyor	8,400	5,631	2,769	8,400	5,657	2,743
Emergency management	38,700	35,920	2,780	25,900	29,332	(3,432)
Public health and welfare services	820,378	745,369	75,009	912,609	830,159	82,450
Other	265,680	229,167	36,513	212,879	177,863	35,016
Transfers out	621,884	569,000	52,884	789,420	715,500	73,920
Emergency Fund	97,651	0	97,651	106,961	0	106,961
Total Disbursements	3,711,317	3,176,472	534,845	3,817,156	3,340,197	476,959
RECEIPTS OVER (UNDER) DISBURSEMENTS	(355,308)	242,380	597,688	(251,800)	282,063	533,863
CASH, JANUARY 1	303,961	303,961	0	21,898	21,898	0
CASH, DECEMBER 31	\$ (51,347)	546,341	597,688	(229,902)	303,961	533,863

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 773,000	830,365	57,365	720,188	721,764	1,576
Sales taxes	1,375,000	1,464,921	89,921	1,285,000	1,297,788	12,788
Intergovernmental	932,500	925,059	(7,441)	878,000	904,751	26,751
Interest	10,000	29,175	19,175	4,000	17,904	13,904
Other	254,600	273,669	19,069	261,000	292,077	31,077
Transfers in	64,320	43,890	(20,430)	70,240	56,038	(14,202)
Total Receipts	3,409,420	3,567,079	157,659	3,218,428	3,290,322	71,894
DISBURSEMENTS						
Salaries	758,000	709,410	48,590	682,066	642,124	39,942
Employee fringe benefits	207,300	158,344	48,956	195,500	170,377	25,123
Supplies	187,000	199,587	(12,587)	195,000	149,590	45,410
Insurance	21,000	16,872	4,128	21,000	6,219	14,781
Road and bridge materials	271,000	153,184	117,816	260,000	243,463	16,537
Equipment repairs	160,000	252,132	(92,132)	120,000	167,308	(47,308)
Rentals	30,000	157,969	(127,969)	20,000	15,323	4,677
Equipment purchases	475,000	409,291	65,709	575,000	514,295	60,705
Construction, repair, and maintenance	800,000	679,213	120,787	730,000	656,934	73,066
Debt service	0	0	0	74,046	74,046	0
Other	491,000	440,711	50,289	503,000	400,458	102,542
Transfers out	102,009	102,009	0	101,268	101,268	0
Total Disbursements	3,502,309	3,278,722	223,587	3,476,880	3,141,405	335,475
RECEIPTS OVER (UNDER) DISBURSEMENTS	(92,889)	288,357	381,246	(258,452)	148,917	407,369
CASH, JANUARY 1	246,126	246,126	0	179,389	97,209	(82,180)
CASH, DECEMBER 31	\$ 153,237	534,483	381,246	(79,063)	246,126	325,189

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 278,441	303,677	269,425	279,503	10,078	
Charges for services	4,000	4,664	5,000	4,865	(135)	
Interest	1,000	3,643	1,400	2,837	1,437	
Transfers in	52,884	0	53,920	25,000	(28,920)	
Total Receipts	336,325	311,984	329,745	312,205	(17,540)	
DISBURSEMENTS						
Assessor	336,325	294,211	323,895	297,200	26,695	
Total Disbursements	336,325	294,211	323,895	297,200	26,695	
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	17,773	5,850	15,005	9,155	
CASH, JANUARY 1	15,184	15,184	179	179	0	
CASH, DECEMBER 31	\$ 15,184	32,957	6,029	15,184	9,155	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRUST FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 1,467,000	1,506,131	39,131	1,380,000	1,387,047	7,047
Intergovernmental	140,000	149,219	9,219	63,000	194,432	131,432
Charges for services	445,000	186,052	(258,948)	601,500	427,926	(173,574)
Interest	5,000	5,061	61	1,500	5,734	4,234
Other	38,500	40,695	2,195	24,200	59,268	35,068
Transfers in	367,000	367,000	0	565,500	565,500	0
Total Receipts	2,462,500	2,254,158	(208,342)	2,635,700	2,639,907	4,207
DISBURSEMENTS						
Salaries	1,525,812	1,453,950	71,862	1,404,800	1,422,541	(17,741)
Employee fringe benefits	405,500	304,447	101,053	372,500	338,823	33,677
Office expenditures	139,000	133,715	5,285	155,100	140,655	14,445
Equipment	20,000	19,867	133	23,000	23,481	(481)
Vehicles and maintenance	153,500	141,727	11,773	156,000	155,093	907
Jail	230,000	243,037	(13,037)	275,000	178,039	96,961
Other	65,200	71,074	(5,874)	74,000	53,475	20,525
Transfers out	66,320	43,890	22,430	70,240	56,038	14,202
Total Disbursements	2,605,332	2,411,707	193,625	2,530,640	2,368,145	162,495
RECEIPTS OVER (UNDER) DISBURSEMENTS	(142,832)	(157,549)	(14,717)	105,060	271,762	166,702
CASH, JANUARY 1	152,219	152,219	0	(104,764)	(119,543)	(14,779)
CASH, DECEMBER 31	\$ 9,387	(5,330)	(14,717)	296	152,219	151,923

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HOME HEALTH FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	345,000	128,678	(216,322)	640,546	434,540	(206,006)
Charges for services	10,000	5,123	(4,877)	30,000	8,321	(21,679)
Interest	4,000	2,123	(1,877)	4,000	5,563	1,563
Other	0	922	922	0	0	0
Total Receipts	359,000	136,846	(222,154)	674,546	448,424	(226,122)
DISBURSEMENTS						
Salaries	100,720	36,715	64,005	128,248	96,374	31,874
Office expenditures	11,400	1,510	9,890	13,500	9,868	3,632
Equipment	1,900	495	1,405	3,600	3,889	(289)
Mileage and training	35,000	10,777	24,223	41,500	33,012	8,488
Other	27,300	10,486	16,814	60,000	36,980	23,020
Transfers out	195,274	127,770	67,504	603,439	440,557	162,882
Total Disbursements	371,594	187,753	183,841	850,287	620,680	229,607
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,594)	(50,907)	(38,313)	(175,741)	(172,256)	3,485
CASH, JANUARY 1	86,492	86,492	0	258,748	258,748	0
CASH, DECEMBER 31	\$ 73,898	35,585	(38,313)	83,007	86,492	3,485

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 911 COMMUNICATION FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 75,160	73,692	(1,468)	66,800	63,388	(3,412)
Interest	1,000	1,485	485	4,000	1,201	(2,799)
Telephone tax	282,000	304,300	22,300	297,000	280,487	(16,513)
Other	800	476	(324)	100	836	736
Transfers	202,000	202,000	0	170,000	125,000	(45,000)
Total Receipts	560,960	581,953	20,993	537,900	470,912	(66,988)
DISBURSEMENTS						
Salaries	438,030	433,151	4,879	431,950	378,458	53,492
Office expenditures	86,371	79,452	6,919	82,500	77,436	5,064
Equipment	2,600	2,187	413	5,350	1,878	3,472
Mileage and training	11,500	4,430	7,070	11,100	7,013	4,087
Other	40,328	27,950	12,378	51,550	40,609	10,941
Total Disbursements	578,829	547,170	31,659	582,450	505,394	77,056
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,869)	34,783	52,652	(44,550)	(34,482)	10,068
CASH, JANUARY 1	18,145	18,145	0	52,627	52,627	0
CASH, DECEMBER 31	\$ 276	52,928	52,652	8,077	18,145	10,068

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 4,000	4,648	0	3,965	3,965	
Charges for services	7,800	8,877	7,100	7,866	766	
Interest	100	119	50	100	50	
Other	0	601	0	0	0	
Total Receipts	11,900	14,245	7,150	11,931	4,781	
DISBURSEMENTS						
Sheriff	14,300	14,681	8,000	9,099	(1,099)	
Total Disbursements	14,300	14,681	8,000	9,099	(1,099)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,400)	(436)	(850)	2,832	3,682	
CASH, JANUARY 1	4,583	4,583	1,751	1,751	0	
CASH, DECEMBER 31	\$ 2,183	4,147	901	4,583	3,682	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1999				1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 2,000	2,207	207	3,200	1,986	(1,214)
Interest	0	40	40	50	39	(11)
Other	0	50	50	0	0	0
Total Receipts	2,000	2,297	297	3,250	2,025	(1,225)
DISBURSEMENTS						
Prosecuting attorney	2,000	2,451	(451)	2,610	1,948	662
Total Disbursements	2,000	2,451	(451)	2,610	1,948	662
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(154)	(154)	640	77	(563)
CASH, JANUARY 1	1,665	1,665	0	1,588	1,588	0
CASH, DECEMBER 31	\$ 1,665	1,511	(154)	2,228	1,665	(563)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHELTERCARE FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 5,300	5,378	4,800	5,137	337	
Interest	200	215	200	215	15	
Total Receipts	5,500	5,593	5,000	5,352	352	
DISBURSEMENTS						
Health and welfare	5,200	5,200	5,000	5,000	0	
Total Disbursements	5,200	5,200	5,000	5,000	0	
RECEIPTS OVER (UNDER) DISBURSEMENTS	300	393	0	352	352	
CASH, JANUARY 1	6,607	6,607	6,255	6,255	0	
CASH, DECEMBER 31	\$ 6,907	7,000	6,255	6,607	352	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
BRO FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 1,771,000	400,067	(1,370,933)	1,456,000	38,709	(1,417,291)
Interest	0	0	0	50	0	(50)
Other	0	6	6	0	0	0
Total Receipts	1,771,000	400,073	(1,370,927)	1,456,050	38,709	(1,417,341)
DISBURSEMENTS						
Chain of Rocks bridge	1,442,000	404,012	1,037,988	1,110,000	4,826	1,105,174
Bryant's Creek bridge	329,000	4,053	324,947	346,000	6,247	339,753
Total Disbursements	1,771,000	408,065	1,362,935	1,456,000	11,073	1,444,927
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(7,992)	(7,992)	50	27,636	27,586
CASH, JANUARY 1	27,757	27,757	0	121	121	0
CASH, DECEMBER 31	\$ 27,757	19,765	(7,992)	171	27,757	27,586

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
JAIL DEBT SERVICE FUND

		Year Ended December 31,					
		1999			1998		
				Variance			Variance
		Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
RECEIPTS							
Sales taxes	\$	700,000	731,503	31,503	685,000	692,591	7,591
Interest		12,000	22,604	10,604	10,000	20,456	10,456
Total Receipts		712,000	754,107	42,107	695,000	713,047	18,047
DISBURSEMENTS							
Lease payment		636,235	608,608	27,627	594,101	603,175	(9,074)
Administrative expense		1,615	2,409	(794)	1,615	15	1,600
Total Disbursements		637,850	611,017	26,833	595,716	603,190	(7,474)
RECEIPTS OVER (UNDER) DISBURSEMENTS		74,150	143,090	68,940	99,284	109,857	10,573
CASH, JANUARY 1		379,120	379,120	0	269,263	269,263	0
CASH, DECEMBER 31	\$	453,270	522,210	68,940	368,547	379,120	10,573

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 RIDGE ROAD PROJECT ONE FUND

Year Ended December 31,						
1999			1998			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Assessments	\$ 35,000	40,424	5,424	40,000	36,912	(3,088)
Interest	4,000	3,059	(941)	5,000	4,179	(821)
Total Receipts	39,000	43,483	4,483	45,000	41,091	(3,909)
DISBURSEMENTS						
Bond payments	34,438	34,716	(278)	33,136	33,540	(404)
Construction, repair and maintenance	0	0	0	60,000	52,945	7,055
Other	1,000	0	1,000	200	0	200
Total Disbursements	35,438	34,716	722	93,336	86,485	6,851
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,562	8,767	5,205	(48,336)	(45,394)	2,942
CASH, JANUARY 1	85,928	85,928	0	132,080	131,322	(758)
CASH, DECEMBER 31	\$ 89,490	94,695	5,205	83,744	85,928	2,184

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
WALKER ROAD COMMUNITY DISTRICT FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Assessments	\$ 35,000	26,689	23,000	38,532	15,532	
Interest	2,000	2,590	2,500	2,267	(233)	
Total Receipts	37,000	29,279	25,500	40,799	15,299	
DISBURSEMENTS						
Bond payments	21,756	21,132	22,150	21,860	290	
Other	3,000	638	2,000	2,707	(707)	
Total Disbursements	24,756	21,770	24,150	24,567	(417)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	12,244	7,509	1,350	16,232	14,882	
CASH, JANUARY 1	59,117	59,117	42,885	42,885	0	
CASH, DECEMBER 31	\$ 71,361	66,626	44,235	59,117	14,882	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
HOSPICE FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Interest	\$ 25	89	20	48	28	
Other	500	231	500	2,978	2,478	
Total Receipts	525	320	520	3,026	2,506	
DISBURSEMENTS						
Medical expense	1,500	728	1,000	542	458	
Total Disbursements	1,500	728	1,000	542	458	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(975)	(408)	(480)	2,484	2,964	
CASH, JANUARY 1	3,169	3,169	685	685	0	
CASH, DECEMBER 31	\$ 2,194	2,761	205	3,169	2,964	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SHERIFF'S CIVIL FEES FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 50,000	54,412	4,412	50,000	49,693	(307)
Interest	300	493	193	500	600	100
Other	0	123	123	0	31	31
Total Receipts	50,300	55,028	4,728	50,500	50,324	(176)
DISBURSEMENTS						
Equipment	39,000	33,918	5,082	10,000	15,692	(5,692)
Supplies	22,000	16,769	5,231	13,000	11,255	1,745
Training	10,200	6,509	3,691	7,850	15,022	(7,172)
Inmate housing	0	675	(675)	0	0	0
Transfers out	0	4,974	(4,974)	0	0	0
Total Disbursements	71,200	62,845	8,355	30,850	41,969	(11,119)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,900)	(7,817)	13,083	19,650	8,355	(11,295)
CASH, JANUARY 1	21,699	21,699	0	13,344	13,344	0
CASH, DECEMBER 31	\$ 799	13,882	13,083	32,994	21,699	(11,295)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

LINCOLN COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK FEES FUND

		Year Ended December 31,					
		1999			1998		
				Variance Favorable (Unfavorable)			Variance Favorable (Unfavorable)
		Budget	Actual		Budget	Actual	
RECEIPTS							
Charges for services	\$	15,000	18,996	3,996	14,000	15,614	1,614
Interest		65	98	33	100	69	(31)
Total Receipts		15,065	19,094	4,029	14,100	15,683	1,583
DISBURSEMENTS							
Salaries		7,200	11,864	(4,664)	0	7,264	(7,264)
Office expenditures		4,500	5,207	(707)	7,000	3,693	3,307
Mileage and training		500	167	333	500	363	137
Equipment		2,000	1,436	564	6,300	2,829	3,471
Other		0	1,517	(1,517)	0	0	0
Total Disbursements		14,200	20,191	(5,991)	13,800	14,149	(349)
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		865	(1,097)	(1,962)	300	1,534	1,234
CASH, JANUARY 1		2,123	2,123	0	589	589	0
CASH, DECEMBER 31	\$	2,988	1,026	(1,962)	889	2,123	1,234

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

LINCOLN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEE FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 23,000	22,167	17,500	21,984	4,484	
Interest	450	484	250	433	183	
Total Receipts	23,450	22,651	17,750	22,417	4,667	
DISBURSEMENTS						
Office expense	12,000	0	8,000	10,961	(2,961)	
Equipment	2,000	867	2,000	2,203	(203)	
Transfers out	10,000	10,000	10,000	10,000	0	
Total Disbursements	24,000	10,867	20,000	23,164	(3,164)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(550)	11,784	(2,250)	(747)	1,503	
CASH, JANUARY 1	14,249	14,249	14,996	14,996	0	
CASH, DECEMBER 31	\$ 13,699	26,033	12,746	14,249	1,503	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 CIRCUIT CLERK INTEREST FUND

		Year Ended December 31,					
		1999			1998		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Interest	\$	2,700	11,340	8,640	2,715	16,235	13,520
Other		0	0	0	0	273	273
Total Receipts		2,700	11,340	8,640	2,715	16,508	13,793
DISBURSEMENTS							
Office expenses		0	0	0	0	4	(4)
Equipment		16,100	8,816	7,284	0	1,045	(1,045)
Mileage and training		400	463	(63)	1,000	347	653
Other		0	291	(291)	0	323	(323)
Total Disbursements		16,500	9,570	6,930	1,000	1,719	(719)
RECEIPTS OVER (UNDER) DISBURSEMENTS		(13,800)	1,770	15,570	1,715	14,789	13,074
CASH, JANUARY 1		13,815	22,818	9,003	2,870	8,029	5,159
CASH, DECEMBER 31	\$	15	24,588	24,573	4,585	22,818	18,233

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

LINCOLN COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

		Year Ended December 31,					
		1999			1998		
				Variance Favorable (Unfavorable)			Variance Favorable (Unfavorable)
		Budget	Actual		Budget	Actual	
RECEIPTS							
Intergovernmental	\$	2,700	3,618	918	3,400	2,731	(669)
Interest		20	38	18	40	19	(21)
Other		30	91	61	20	0	(20)
Total Receipts		2,750	3,747	997	3,460	2,750	(710)
DISBURSEMENTS							
Prosecuting Attorney		1,700	2,823	(1,123)	2,000	1,662	338
Total Disbursements		1,700	2,823	(1,123)	2,000	1,662	338
RECEIPTS OVER (UNDER) DISBURSEMENTS							
CASH, JANUARY 1		1,050	924	(126)	1,460	1,088	(372)
CASH, JANUARY 1		1,232	1,232	0	144	144	0
CASH, DECEMBER 31	\$	2,282	2,156	(126)	1,604	1,232	(372)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

LINCOLN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW LIBRARY FUND

Year Ended December 31,			
1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Charges for services	\$ 15,000	16,952	1,952
Total Receipts	15,000	16,952	1,952
DISBURSEMENTS			
Legal books	15,000	6,581	8,419
Total Disbursements	15,000	6,581	8,419
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	10,371	10,371
CASH, JANUARY 1	18,290	18,290	0
CASH, DECEMBER 31	\$ 18,290	28,661	10,371

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

LINCOLN COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Lincoln County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed by warrant or in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1998
Federal Drug Forfeiture Fund	1999 and 1998
Industrial Development Authority	
Speculative Building Fund	1999 and 1998
Flood Buyout Fund	1998

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	1999 and 1998
Prosecuting Attorney Training Fund	1999
Jail Debt Service Fund	1998
Walker Road Community District Fund	1998
Sheriff's Civil Fees Fund	1998
Prosecuting Attorney Bad Check Fees Fund	1999 and 1998
Recorder's User Fee Fund	1998
Circuit Clerk Interest Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Deficit budget balances are presented for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	1999 and 1998
Special Road and Bridge Fund	1998

However, the budgets of those funds also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statement for the year ended December 31, 1999, did not include the Law Library Fund.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than

depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1999 and 1998, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 1994, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Capital Improvement Sales Taxes

Since 1997, the county has imposed capital improvement sales taxes of one-half of one percent for the purpose of rehabilitating existing roads and bridges, replacement of bridges, and maintenance of existing gravel roads; and one-fourth of one percent for the purpose of building a jail facility. Attorney General's Opinion 97-99, 1999, to Neel has interpreted that in accordance with Section 67.700, RSMo, the total levy for capital improvement sales taxes cannot exceed one-half percent. The combined rates for both of the capital improvement sales taxes results in amounts being collected apparently in excess of those authorized by law. The ultimate outcome of this situation cannot be determined.

Supplementary Schedule

Schedule

LINCOLN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Social Services -				
10.550	Food Distribution	N/A	\$ 414	1,247
Department of Health -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-9157	73,452	74,010
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state Department of Economic Development -				
14.228	Community Development Block Grants/State's Program	93DR034	0	34,177
		94DR034	0	7,865
		96FL001	0	20,890
	Program Total		0	62,932
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.710	Public Safety Partnership and Community Policing Grants	95CFX-2124	54,799	63,203
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	2,330	0
Passed through state Department of Public Safety -				
16.588	Violence Against Women Formula Grants	96-VAPA-0066	0	13,244
		98-VAWA-0045	13,926	0
	Program Total		13,926	13,244
16.592	Local Law Enforcement Block Grants Program	97-LBG-056	0	8,820
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-057(6)	478,595	0
		BRO-057(8)	0	37,937
	Program Total		478,595	37,937
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	3,185	23,101

Schedule

LINCOLN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety:				
83.534	Emergency Management - State and Local Assistance	(LEPC)	4,627	3,440
		SLA-50-50	1,968	0
		SLA-98-16	2,037	750
	Program Total		8,632	4,190
83.548	Hazard Mitigation Grant	995-DR-MO	0	113,768
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through:				
State Department of Health -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERO146-057CLPP	185	0
Missouri Family Health Council, Inc. -				
93.217	Family Planning - Services	N/A	28,677	27,223
State Department of Health -				
93.268	Immunization Grants	PG0064-9157IAP	7,140	14,410
		N/A	36,600	27,785
	Program Total		43,740	42,195
State Department of Social Services -				
93.563	Child Support Enforcement	N/A	21,647	21,654
State Department of Health -				
93.575	Child Care and Development Block Grant	PG0067-9157	2,015	0
State Department of Social Services -				
93.667	Social Services Block Grant	ERO172-091	28,554	16,751
		ERO172-092	23,053	17,387
	Program Total		51,607	34,138

Schedule

LINCOLN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1999	1998
	State Department of Health -			
93.991	Preventive Health and Health Services Block Grant	N/A	436	722
93.994	Maternal and Child Health Services Block Grant to the States	ERO146-9157MCH	14,355	22,082
		ERO175-9157FP	15,870	17,078
		N/A	2,178	2,526
	Program Total		<u>32,403</u>	<u>41,686</u>
	Total Expenditures of Federal Awards	\$	<u><u>816,043</u></u>	<u><u>570,070</u></u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

LINCOLN COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Lincoln County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Food Distribution (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the State Department of Social Services.

Of the pass-through amounts for Immunization Grants (CFDA number 93.268), \$36,600 and \$27,785 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$436 and \$722 represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$2,179 and \$2,526 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1999 and 1998.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Lincoln County, Missouri

Compliance

We have audited the compliance of Lincoln County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Lincoln County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 99-2.

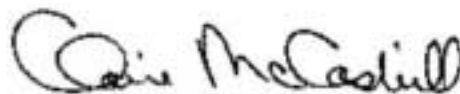
Internal Control Over Compliance

The management of Lincoln County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 99-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Lincoln County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

April 28, 2000 (fieldwork completion date)

Schedule

LINCOLN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements
noted? x yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? x yes none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? x yes no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
20.205	Highway Planning and Construction
83.548	Hazard Mitigation Assistance

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes x no

Section II - Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

99-1. Capital Improvement Sales Tax
--

As discussed in our prior report, on November 5, 1996, the county passed a ten year Road and Bridge Capital Improvement sales tax of one-half of one percent for the purpose of rehabilitating existing roads and bridges, replacement of bridges, and maintenance of existing gravel roads which became effective in April 1997.

Per records obtained from the Missouri Department of Revenue (DOR), the county imposed this sales tax under Section 67.700, RSMo 1994; however, the county also had another one-fourth of one percent Law Enforcement Capital Improvement sales tax levy imposed under this law. With the additional Road and Bridge Capital Improvement sales tax, the county is levying three-fourths of one percent which is apparently above the statutory maximum allowed by Section 67.700, RSMo. The County Commission previously indicated they believed these sales taxes were acceptable because they were voted and approved by the citizens, and approved by the DOR. Additionally, the county's legal counsel in November 1998, indicated that he believed both of the separate taxes were legal and valid because the statute does not prohibit separate elections for separate taxes; the only prohibition in the statute is the limitation to three separate percentages of the sales tax that can be submitted to the voters. However, Attorney General's Opinion No. 97-99, 1999 to Neel states that total capital improvement sales tax rates cannot exceed one-half of one percent.

The county needs to review the various capital improvement sales taxes being imposed to determine which are valid. The county may need to eliminate one of these taxes and reallocate the sales tax monies being collected.

WE RECOMMEND the County Commission review the overall capital improvement sales taxes being levied in conjunction with Attorney General Opinion No. 97-99, 1999 to Neel and ensure they are in accordance with applicable state statutes.

AUDITEE'S RESPONSE

The County Commission feels their sales taxes are in compliance with state law. Both taxes have been approved by the voters and the Department of Revenue. In addition, the Commissioners indicated that they had reviewed this with their attorney and he agreed that these were handled correctly.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

99-2.	Highway Planning and Construction
--------------	--

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-057 (6)(8)
Award Year:	1999 and 1998
Questioned Costs:	\$49,112

The county contracts with the State Highway and Transportation Commission for bridge replacement and rehabilitation under the Off-System Bridge Replacement and Rehabilitation Program. These projects are 80 percent federally funded.

During our previous review, we noted the county procured bridge replacement engineering services during the previous audit period without documentation of consideration of other firms. As a result, we have questioned costs of \$49,112 which is the federal share of engineering costs paid during 1999 and 1998 under these prior contracts.

Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, in Part I of the Compliance Supplement, requires that states, and government subrecipients of states, use the same policies and procedures used for procurement on non-federal funds. As a result, the procurement of services should comply with Sections 8.289 and 8.291, RSMo 1994, which provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located.

WE RECOMMEND the County Commission obtain information as required by law when contracting for professional services.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated they did consider various firms for these projects, and will ensure this is documented in the future. In addition, the Commission indicated they have adopted a policy regarding procurement of engineers to ensure future compliance.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

LINCOLN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Lincoln County, Missouri, on the applicable findings in our prior audit report issued for the two years ended December 31, 1997.

8.	Capital Improvement Sales Tax
-----------	--------------------------------------

The county passed a Road and Bridge Capital Improvement sales tax of one-half of one percent which became effective April 1997. In addition, the county had another one-fourth of one percent Law Enforcement Capital Improvement sales tax levy imposed. Therefore, the county had levied three-fourths of one percent which apparently exceeded the statutory maximum allowed by state law.

Recommendation:

The County Commission review the overall capital improvement sales taxes being levied and ensure they are in accordance with applicable state statutes.

Status:

Not implemented. See finding number 99-1.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

LINCOLN COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

1. Federal Financial Assistance

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Grants/State's Program
Pass-Through Entity	
Identifying Number:	93DR034
	94DR052
	94MH105
Award Year:	1997 and 1996
Questioned Costs:	N/A

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction Program
Pass-Through Entity	
Identifying Number:	BRO.057 (6)
Award Year:	1997 and 1996
Questioned Costs:	\$27,323

Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	16.710
Program Title:	Public Safety Partnership and Community Policing Grants
Pass-Through Entity	
Identifying Number:	95CFWX2124

Award Year: 1997 and 1996
Questioned Costs: N/A

Federal Grantor: Federal Emergency Management Agency
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 83.548
Program Title: Hazard Mitigation Assistance
Pass-Through Entity
Identifying Number: 995-DR-MO
Award Year: 1997 and 1996
Questioned Costs: N/A

- A.1. The county did not properly monitor disbursements of the Community Development Grant or the Hazard Mitigation Assistance.
- 2. The county did not have written contracts for all payments made to the Boonslick Regional Planning Commission (BRPC), which administered the Community Development Grant and the Hazard Mitigation Assistance.
- 3. The county had not established cash management procedures to ensure minimum time elapses between its receipt of federal program monies and the disbursement of monies for the Community Development Grant and the Hazard Mitigation Assistance.
- B. The county did not have documentation regarding the consideration of at least three engineering firms for bridge projects. This resulted in questioned costs totaling \$27,323.
- D. The county's Schedule of Federal Financial Assistance contained numerous errors and omissions.

Recommendation:

- A.1. Establish procedures to ensure all invoices are reviewed for reasonableness and propriety.
- 2. Document all contract changes in writing. The County Commission should review the payments made to the BRPC and determine if any reimbursements should be sought.
- 3. Establish procedures to minimize the time elapsed between the receipt of federal monies and disbursement of such funds.
- B. Obtain the required statutory information for professional services. The County Commission should contact state and federal grantor agencies to resolve the questioned costs.

- D. Ensure all federal financial expenditure amounts are properly recorded on the Schedule of Federal Financial Assistance.

Status:

- A.1-3. Not implemented. Since these programs have now ended, this recommendation will not be repeated in our current report.
- B. Partially implemented. While there was no selection of engineering services during the two years ended December 31, 1999, the County Commission adopted a policy in January 1999, which provides that at least three firms must be considered. See finding number 99-2.
- D. Partially implemented. The county has made significant improvement in preparation of this schedule; however, it still contained errors and omissions.

SECTION ON OTHER MATTERS

LINCOLN COUNTY, MISSOURI LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Lincoln County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 28, 2000. We also have audited the compliance of Lincoln County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 28, 2000.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audits of the special-purpose financial statements of Lincoln County and of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Schedule of Federal Financial Assistance

The county's schedule of expenditures of federal awards (SEFA) contained various errors and omissions for the years ended December 31, 1999 and 1998. The SEFA should be accurately prepared to ensure all federal awards are properly reported.

2. Collateral Securities

The amount of collateral securities pledged by the county's depository banks at January 25, 2000 and January 27, 1999 were insufficient to cover monies in the custody of the County Treasurer.

3. Sheriff's Procedures

Reimbursement claims for the Community Policing (COPS) grant are not submitted timely. Currently, requests are made on a quarterly basis. In addition, the Sheriff's department does not monitor the reimbursement process.

This Letter on Other Matters is intended for the information of the management of Lincoln County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.